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ND-2021-2-R

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ACCEPTED FOR PROCESSING - 2021 March 4 4:21 PM - SCPSC - ND-2021-2-R - Page 1 of 9

From: Mordi, Sally <smordi@Steptoe.com>

Sent: Tuesday, March 2, 2021 5:17 PM

To: FRA.Legal@dot.gov; Antitrust.atr@usdoj.gov; secretary@ftc.gov; Twinkle.cavanaugh@psc.alabama.gov; aldotinfo@dot.state.al.us; Governor.Rell@po.state.ct.us; Pura.information@ct.gov; Jackie.primeau@ct.gov; jcarney@state.de.us; Raj.barua@delaware.gov; dotpublic@delaware.gov; Governorron.desantis@eog.myflorida.com; contact@psc.state.fl.us; Rickey.fitzgerald@dot.state.fl.us; Georgia.governor@gov.state.ga.us; gapscc@psc.ga.gov; SLHill@dot.ga.gov; governor@state.il.us; Brian.Vercruysse@illinois.gov; eholcomg@state.in.us; URCGeneralCounsel@urc.in.gov; vkeefe@indot.in.gov; governor@mail.state.ky.us; Psc.info@ky.gov; KYTC.OfficeoftheSecretary@ky.gov; lagov@linknet.net; Brandon.frey@la.gov; Dean.goodell@la.gov; governor@state.me.us; [Maine.puc@maine.gov](mailto>Maine.puc@maine.gov); Nathan.moulton@maine.gov; goffice@state.mas.us; DPU.Legal@mass.gov; contact@maryland.gov; Andrew.johnston@maryland.gov; hromano@mdot.maryland.gov; Mpsc_commissioners@michigan.gov; FordO@michigan.gov; governor@govreeves.ms.gov; Valerie.moore@psc.ms.gov; swilson@mdot.ms.gov; mogov@mail.mo.gov; MoRail@modot.mo.gov; puc@puc.nh.gov; Bureau66@dot.nh.gov; Donna.sebest@bpu.nj.gov; nicole.minutoli@dot.nj.gov; Gov.cuomo@chamber.state.ny.us; secretary@dps.ny.gov; Raymond.Hessinger@dot.ny.gov; Governor.office@governor.ncmail.net; klowell@ncuc.net; RailDivision@puco.ohio.gov; Scott.phinney@dot.ohio.gov; governor@state.pa.us; rchiavetta@pa.gov; RA-PDOCCEXECUTIVE@pa.gov; governor@govoepp.state.sc.us; [PSC_Contact <Contact@psc.sc.gov>](mailto:PSC_Contact@psc.sc.gov); FowlerJE@SCDOT.org; Bill.lee@state.tn.us; [Contact.tpuc@tn.gov](mailto>Contact.tpuc@tn.gov); amy.kosanovic@tn.gov; pshumlin@state.vt.us; Puc.clerk@vermont.gov; Daniel.delabruere@vermont.gov; varailsafety@scc.virginia.gov; drptpr@drpt.virginia.gov; governor@state.wv.us; rblankenship@psc.state.wv.us; Cindy.k.butler@wv.gov; eom@dc.gov; Psc-commissionsecretary@dc.gov; ddot@dc.gov

Cc: Denton, Peter <pdenton@Steptoe.com>; LaRocca, Anthony <ALaRocca@steptoe.com>; Lou Gitomer <lou@lgrailaw.com>

Subject: [External] STB Docket No. FD 36472

All,

Please find attached a letter filed today with the Surface Transportation Board in Docket No. FD 36472.

Regards,
Sally

Sally Mordi
Associate
smordi@Steptoe.com
+1 202 429 6287 direct | +1 202 429 3902 fax

Steptoe
Steptoe & Johnson LLP
1330 Connecticut Avenue, NW | Washington, DC 20036
www.steptoe.com

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From: Mordi, Sally

Sent: Thursday, February 25, 2021 10:29 PM

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Cc: Denton, Peter <pdenton@Steptoe.com>; LaRocca, Anthony <ALaRocca@steptoe.com>; Lou Gitomer

<lou@lgraillaw.com>

Subject: STB Docket No. FD 36472

All,

Please find attached an application filed today with the Surface Transportation Board in Docket No. FD 36472.

Regards,
Sally

Sally Mordi

Associate

smordi@Step toe.com

+1 202 429 6287 direct | +1 202 429 3902 fax

Step toe

Step toe & Johnson LLP

1330 Connecticut Avenue, NW | Washington, DC 20036

www.step toe.com

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Anthony J. LaRocca
202 429 8119
alarocca@steptoe.com

1330 Connecticut Avenue, NW
Washington, DC 20036-1795
202 429 3000 main
www.steptoel.com

Steptoe
STEPTOE & JOHNSON LLP

ND-2021-2-R

March 2, 2021

CSXT/PAR-3

VIA E-FILING

Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
Office of Proceedings
395 E Street, SW
Washington, DC 20423

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MAR 03 2021

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Re: **STB Docket No. FD 36472, CSX Corporation and CSX Transportation, Inc., et al.—Control and Merger—Pan Am Systems, Inc., Pan Am Railways, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Northern Railroad, Pan Am Southern LLC, Portland Terminal Company, Springfield Terminal Railway Company, Stony Brook Railroad Company, and Vermont & Massachusetts Railroad Company**

Dear Ms. Brown:

Please accept the following replacement pages (which do not contain any Highly Confidential information) to the Application filed in the above-referenced matter on February 25, 2021. These replacement pages are being submitted for the following reasons:

- (1) The labor impact chart included at the end of Appendix 1 to the Application was treated as Highly Confidential but Applicants have determined that the chart can be treated as a public document. The attached chart has been re-designated as public.
- (2) CSXT has determined that the statement at page 7, footnote 5 of the Application, and a corresponding statement at page 5 of the Verified Statement of Mr. Sean Pelkey, Exhibit 22 to the Application, that “CSXT led the industry in 2020 for average train velocity and terminal dwell metrics reported to the STB” contained an inadvertent error. That statement should be replaced with the following: “CSXT led U.S. railroads in 2020 for average terminal dwell reported to the STB. CSXT’s line-of-road train velocity was 25.4 mph in 2020, a 23% improvement over 2017 levels.

Cynthia T. Brown
March 2, 2021
Page 2

Terminal dwell was also dramatically improved in 2020, averaging 18.8 hours or 27% better than 2017.” This change has been made in the attached replacement pages.

Thank you for your attention to this matter. Please let me know if you have any questions.

Respectfully submitted,

/s/ Anthony J. LaRocca

Anthony J. LaRocca
Peter W. Denton
Sally Mordi
*Attorneys for CSX Corporation and
CSX Transportation, Inc.*

Enclosures

cc: Louis E. Gitomer
All parties of record

Classification -->	Dispatch		Engineer		Trainmen		Maintenance of Way	
	Abolished	Created	Abolished	Created	Abolished	Created	Abolished	Created
BillERICA	6	5	0	0	0	0	0	0
Ayer	0	0	17	20	18	20	0	0
Deerfield	0	0	22	20	29	19	38	13
Fitchburg	0	0	1	0	1	0	6	4
Gardner	0	0	0	0	0	0	0	0
Hoosick	0	0	0	0	0	0	0	0
Mechanicville	0	0	1	8	1	8	5	4
Mohawk	0	0	3	0	9	0	0	0
North Adams	0	0	0	0	1	0	6	4
Plainville	0	0	1	0	3	0	1	2
Total	6	5	45	48	62	47	56	27

Classification -->	Signals		Carmen		Shop Crafts		Draftsmen	
	Abolished	Created	Abolished	Created	Abolished	Created	Abolished	Created
BillERICA	0	0	0	0	0	0	0	0
Ayer	0	1	0	2	0	0	0	0
Deerfield	8	3	7	6	19	12	3	2
Fitchburg	0	1	0	0	0	0	0	0
Gardner	1	0	0	0	0	0	0	0
Hoosick	1	0	0	0	0	0	0	0
Mechanicville	0	1	1	0	0	0	0	0
Mohawk	0	0	0	0	0	0	0	0
North Adams	0	0	0	0	0	0	0	0
Plainville	1	1	0	0	0	0	0	0
Total	11	7	8	8	19	12	3	2

Classification -->	Clerical		Total	
	Abolished	Created	Abolished	Created
BillERICA	0	0	6	5
Ayer	0	0	35	43
Deerfield	4	3	130	78
Fitchburg	0	0	8	5
Gardner	0	0	1	0
Hoosick	0	0	1	0
Mechanicville	0	0	8	21
Mohawk	0	0	12	0
North Adams	0	0	7	4
Plainville	0	0	6	3
Total	4	3	214	159

TO BE PLACED ON PUBLIC FILE

- (2) **B&E Operating Authority.** Pursuant to 49 U.S.C. § 11323(a)(2) and 49 U.S.C. § 10502, B&E is filing a petition for exemption in FD 36472 (Sub-No. 5) to obtain the necessary STB authority to replace Springfield Terminal as operator of PAS.

The Proposed Transaction and the Related Transactions will result in a realignment of the rail network in New England that will be a major step forward in providing transportation options for New England rail shippers. Applicants anticipate that the Proposed Transaction will allow CSXT to improve rail service and to provide efficient competitive rail service within New England and between New England and CSXT's existing service area in the United States east of the Mississippi River. The Proposed Transaction will also enable CSXT to efficiently interchange traffic to and from New England with the western railroads.

CSXT will bring to New England rail users its best-in-class rail service and its dynamic operating model that has set new standards for safety⁴ and service performance with higher velocity, faster equipment turns and greater consistency.⁵ CSXT will be able to offer rail customers in New England unprecedented visibility into their supply chain through the easy to use ShipCSX platform that enables them to track and manage their shipments with much greater precision and confidence. Improved service, increased reliability and highly consistent rail operations will enhance competition, remove truck traffic from congested highways and provide substantial public benefits to New England.

There will be no adverse impact on competition. When considered together with the Related Applications, CSXT's acquisition of the PAR Railroads is an end-to-end combination of

⁴ In 2020, CSXT set a new company record for the fewest number of FRA reportable personal injuries, had the lowest injury rate (0.81) for all Class I railroads, and has lead the industry two years in a row.

⁵ CSXT led U.S. railroads in 2020 for average terminal dwell reported to the STB. CSXT's line-of-road train velocity was 25.4 mph in 2020, a 23% improvement over 2017 levels. Terminal dwell was also dramatically improved in 2020, averaging 18.8 hours or 27% better than 2017. CSX's 2020 averages for line of road train velocity (25.4 mph) and terminal dwell (18.8 hours) are better than the company ever performed in a single week prior to 2018.

TO BE PLACED ON PUBLIC FILE

The creation of an efficient single-line route between CSXT and the PAR System/Springfield Terminal through Barbers Junction will also take pressure off of the transportation network in and around Boston. CSXT currently reaches Boston via lines it sold to the MBTA, over which CSXT retained permanent freight easements. These lines are also heavily used by MBTA's commuter service and CSXT has limited windows in which to operate. But CSXT is able to route traffic into northern New England through Barbers Junction to the west of Boston, allowing us to avoid congestion in the heart of Boston. The conversion of that interline movement to an efficient, single-line movement will preserve and strengthen the Barbers Junction alternative to a direct route to Boston.

2. The Proposed Transaction Will Improve Service for New England Rail Customers.

The Proposed Transaction will also bring our proven operational effectiveness to New England. In the four years since CSXT adopted operating practices focused on scheduled rail service, CSXT has become a first-in-class rail operator with increasingly reliable service. CSXT led U.S. railroads in 2020 for average terminal dwell reported to the STB. CSXT's line-of-road train velocity was 25.4 mph in 2020, a 23% improvement over 2017 levels. Terminal dwell was also dramatically improved in 2020, averaging 18.8 hours or 27% better than 2017. CSX's 2020 averages for line of road train velocity (25.4 mph) and terminal dwell (18.8 hours) are better than CSXT ever performed in a single week prior to 2018.

CSXT's trip-plan system, which focuses on individual cars rather than trains, has allowed us to improve transit times and reliability. We have implemented changes in traditional switching and yard management practices to achieve ambitious schedules, and these changes have reduced variability in our rail operations and increased reliability for our customers. All of these changes have been focused on improving customer service, and they have succeeded in making CSXT a more resilient and reliable provider of rail services. The Proposed Transaction will allow us to bring these service benefits to New England rail users.

CERTIFICATE OF SERVICE

I hereby certify that I have caused this Letter in Docket No. FD-36472, *CSX Corporation and CSX Transportation, Inc.—Control and Merger—Pan Am Systems, Inc., Pan Am Railways, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Northern Railroad, Pan Am Southern LLC, Portland Terminal Company, Springfield Terminal Railway Company, Stony Brook Railroad Company, and Vermont & Massachusetts Railroad Company* to be served electronically or by first class mail, postage pre-paid, on the Secretary of the United States Department of Transportation; the Attorney General of the United States; the Federal Trade Commission; and the Governors, Public Service Commissions, and Departments of Transportation of the States of Alabama, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Massachusetts, Maryland, Michigan, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Vermont, Virginia, and West Virginia, and the District of Columbia.

/s/ Sally Mordi

Sally Mordi
Attorney for CSX Corporation and
CSX Transportation, Inc.

March 2, 2021